



The Book-Publishing Industry in Egypt

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THIS ARTICLE FOCUSES ON three aspects of the Egyptian publishing industry: title selection processes, pricing methods, and channels of distribution. Since descriptive information on the industry is scarce, the orientation of this paper is toward exploration rather than definitive analysis. Egypt provides a particularly good case study of Arab publishing, since it is the largest publishing country in the Arab world and its influence is widespread.

HISTORICAL BACKGROUND

It is a fact that the earliest book form originated in the Egypt of the pharaohs thousands of years before the discovery of paper. The ancient Egyptians had developed papyrus, a pliant material processed from the stalk of the papyrus plant, which grew abundantly on the banks of the Nile. They produced it in bales or rolls six to seven inches high, so their books took the same form.¹ In reading, the books were gradually unrolled so that the writing, which was divided into columns, came successively into view. This was the era of literary activity in Egypt associated with and centered around the Alexandria Library. Monopoly of the papyrus industry, coupled with this activity, gave Egypt a lucrative controlling hold over the publishing industry and enhanced its importance as a center for culture. Naturally, Egypt's preferential status did not last forever. Like any other country, its book industry has been affected through the ages by both technological and other factors, causing the various book mutations universally affecting the industry.²

Egypt's modern book industry started in 1789 as a byproduct of Napoleon Bonaparte's expedition to Egypt. Believing that the way to the population's heart was via their religion, his plan was to propagate Islam.

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To do so he had two printing presses — one Arabic and one French — brought to Egypt. Two years later his expedition failed and he left, taking his presses with him.

Political instability reigned for the next twenty years, with no activity in either printing or publishing. By 1820 Muhammad Ali Pasha had become the uncontested head of the state. He turned his attention to internal organization and to the creation of a regular army, which needed to be administered and instructed. From this arose the need for printed materials. He started by sending a trainee to Milan and then imported and installed the first Egyptian printing press in Bulaq (a district of Cairo).³ The printing press was also to be used to train printers and to translate and publish books for the government and individuals. Publishing activity at the time was therefore government-centered and of a dual nature:

1. Government-sponsored — consisting mostly of printing of the ruler's orders for the army, textbooks for the various schools, and translations for official circles.
2. Printing for individuals — most activity in this area being for merchants trading in publications and manuscripts in the book market next to Al Azhar University, the center of religion and thought at the time.

This printing and publishing activity for individuals constituted the emerging core of Egyptian book activity, and was based on the profit motive.

Muhammad Ali, the ruler, looked on the printing presses and the issuing of books as the tools of publicity for his government. He therefore expanded that activity, and had more printing presses installed in Alexandria and other governorates. In spite of this the publishing and printing movement became sluggish, as educational institutions, which generate a demand for books, failed to develop as rapidly as other sectors. Moreover, the industrial, military and construction sectors of the country were going through a period of recession, with a resultant negative effect on the printed word. By 1863, the Bulaq Press staff, which had originally numbered 169, was reduced to 60.⁴

This sluggishness entailed a reduced output even of materials printed for private individuals, thus reducing sales and profits. These people became dissatisfied. At the same time, the market had an abundance of skilled printers' apprentices chafing at their meager pay and at the poor prospects for promotion. The capital/labor mix was opportune,

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and private presses as publishers started to grow and flourished, with ownership extending to both foreigners and Egyptians.

The economic existence of the book industry at the beginning of the century therefore depended on: (1) bookshops which undertook publishing, (2) printing presses which printed books for others, and (3) the government printing press, which continued to print and publish, but mainly produced official materials. World War I had an expansionist influence on publishing, for the British brought modern printing presses with them and partially subsidized some of the newspapers. Three clear types of publishers emerged as a result:

1. Private enterprise establishments, whose sole motive was profit and which published fast-turnover, dubious-quality books, mostly on religion, popular reading and fiction.
2. Big publishing enterprises attached to press organizations, which, in addition to publishing newspapers, also issued books. Two still in existence are Dar al Hilal and Dar Al-Maaref.
3. Publishing by intellectuals — specifically the Committee for Writing, Translating and Publishing, which was originally formed by a group of cultured Egyptians — did not have profit as one of their aims. This group disapproved of the standards of the first group, the private enterprise publishers.

Government publishing continued along only official lines until the end of World War II, when tremendous growth took place as a result of the realization that a direct correlation existed between increased culture and literacy and more rapid economic growth. Expansion took the form of government sponsorship of two projects: (1) publication of a series known as the “Thousand Books,” and (2) creation of a “Popular University” aimed at raising the literacy rate and providing education for people who could not get formal education. Since then, government participation in publishing activity has increased and has led to the present extensive public sector industry.

THE PRESENT STRUCTURE OF THE INDUSTRY

According to Escarpit, publishing of books in any country is conditioned by two elements: (1) the existence of a reading public, which is literate, economically well off, politically influential and from which potential readers may grow; and (2) the variety of uniformity of a reading public — tastes and patterns of behavior regardless of their quantitative numbers.⁵ Using these two standards, Escarpit classified the

world into "high" or "low" pressure zones, into literary "cyclones" or "anti-cyclones." The high-pressure zones are the producers of the greatest number of titles. They are also identified as the "anti-cyclones," on whose expanded production the "cyclones" (with lower production but more diversified needs) draw to satisfy these needs. Egypt with its high production⁶ is undoubtedly the high-pressure zone/anti-cyclone of its language bloc (Arabic), which is used by nearly 2.7 percent of the world population. The implications of this potential market, barring economic and political constraints, are tremendous. The leaders of the 1952 revolution, similar to their predecessors, realized the importance of this unique aspect of Egypt's book market.

In his "Philosophy of the Revolution" former President Nasser identified the three political and international spheres in which Egypt was to operate: the Arab, the Islamic and the African. The Egyptian book would undoubtedly serve as a basic means of unity for the first two. On the domestic front Nasser was also well aware of the importance of a literate, culturally awakened society as a means to speedier economic development and more rapid change to the new socialist concepts and ideology adopted by Egypt. The Egyptian book was therefore looked upon as a powerful tool in reaching desired goals on both the internal and external fronts. As such, it imposed on Egypt a new responsibility, necessitating planning that could only be undertaken by an official body. As a result, the public sector was greatly expanded. The present structure of the industry is therefore as follows: (1) the public sector, (2) the press sector, and (3) the private sector.

THE PUBLIC SECTOR

The philosophy which sponsored the creation of the public sector was lucid, but the concepts, organization and working objectives governing it and setting it into motion lacked equivalent clarity. Consequently, its structure was characterized by a series of trial-and-error organizational changes. At one time, two ministries, those of culture and national guidance, were both engaged in publishing activity, creating functional duplication, conflict of interest and inefficient resource utilization. In another phase, the adopted motto of "a book every six hours," which meant quantity took the upper hand over quality, caused dramatic over-expansion to take place, with little thought to distribution and sales.⁷ In 1966, the Publishing Organization and its divisions had a deficit of 760,000 Egyptian pounds. Moreover, its printing presses were working at only 50 percent capacity, which meant higher production costs. Its marketing

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was so weak that only 10 percent or less of a press run was sold. Storehouses were stacked with approximately 9 million copies of unsold publications. Public sector publishing suffered from duplication; it was discovered that the same works had been translated by more than one person and published under different titles. This confusion extended even to the administration, which carelessly wasted the equivalent of 95,000 Egyptian pounds in scarce hard currency by ordering a certain paper stock which was found to be the wrong quality and could not be used.⁸

One reorganization along functional lines took place, and still another in 1969, changing the economic status of the publishing sector from an organization to an authority.⁹ Known as the General Authority for Writing and Publishing, this was a service establishment not bound by any profit-making objectives. The new structure kept its functional approach, but through departments rather than separate economic units. In 1972 all book-related activities, i.e. National Library and publishing activities, were united under one authority known as the General Egyptian Book Organization (GEBO).

THE PRESS SECTOR

Egypt has the oldest and most influential press in the Arab world. Prior to the revolution, it was in the hands of the private sector. On May 24, 1960, a presidential decree was issued reorganizing the press. It nationalized the more important press houses, and vested their property in what was then the National Union (the present Arab Socialist Union).¹⁰

Ownership is nominal — in the political sense only — to safeguard against deviation from the ideological socialist line. Actual management is run on free-enterprise lines; the relative advantage of this system (that is, competitive wages, no staff redundancy, existence of work incentives) is visible in its efficient management. In fact, one of the most lucrative book businesses in Egypt is that of Dar Al-Maaref. Since 1963 it has been affiliated with Al Ahram press house, an equally large money-making concern whose newspaper *Al Ahram* is widely distributed all over the world. The former controller general of Dar Al-Maaref, Sayyid Abul Naga, has stated its philosophy as being one that continued to look on the book industry as a profitable business if well managed. He refuted the trend that it was merely a "message" that could not survive without government subsidization.¹¹

Dar Al-Maaref practices centralization of planning, but total decentralization in work implementation. The management believes in set-

ting goals, delegating authority, and dividing responsibility for production. The firm is divided into three functional departments — publishing, printing and distribution — in addition to a staff department, which handles general administrative matters. Budget allocations are independent. Performance is measured by the profit realized at the end of the accounting period. The degree of independence in action is illustrated by the fact that in spite of the existence of a printing department within the firm, the publishing department is allowed to farm out its work if cost estimates quoted are more competitive.¹² Stress is on quality and profitability.

THE PRIVATE SECTOR

The organizational structures of firms in the private sector are as varied and numerous as there are units. The majority of them are controlled by one man. As publishing is their principal means of livelihood, profit is naturally an important objective of these firms. Some pursue it to the exclusion of all else; others, while giving it a primary role, insist on good manufacturing standards and high quality in title selection.

In addition to the three main sectors, a vast amount of complementary publishing is done by the official government ministries, scientific and learned institutions, etc. The government printing office prints and publishes that wealth of information. It is important for researchers to be aware of the existence and potential of the information thus generated. Unfortunately, data are not easily accessible, for only a minor portion of the material is sold commercially. Likewise, aside from the quarterly *Legal Deposit Bulletin* published by the Egyptian National Library and Archives (an unpublicized tool which may easily escape the knowledge of the researcher), no other bibliographic source of information for such materials exists.

THE PUBLISHING PROCESS

The book industry, regardless of the development stage of the country in which it is undertaken, requires teamwork. For a book to be produced and reach the hands of a reader, four basic elements must exist: author, printer, bookseller and publisher.¹³

The mix or combination of these elements usually varies. For instance, in Egypt, the publisher/bookseller combination was widely prevalent in the sample surveyed by this writer. All respondents owned their bookshops, and of these, 43 percent were publishers/booksellers/printers. The survey adequately clarifies and documents publishing practices in

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Egypt. The following categories of questions and answers are some of the findings from the survey. It should be noted that results from multiple-choice questions may total more than 100 percent.

General Information on Publishing Houses

Q. What type of publishing does your firm engage in — general (covering all fields), or special (covering certain fields only)?

A. Fifty-seven percent of respondents were general publishers, 21.5 percent were specialized, 21.5 percent were both.

Worth mentioning here is the trend toward specialization, encouraged by competition among publishers to capture the university textbook market, which is reputed for its high turnover rate. Instead of conflict, publishers have, through a process of natural adjustment, divided this market among them — e.g., some are identified more with medical publishing, others specialize in economics, etc.

Q. Do you have an advance plan of action for your firm?

A. Work activity is planned by 71 percent; not planned by 29 percent.

Length of planning time varied from three months to two years, with an average of one year. The plan is usually quantified in terms of number of titles to be published, subject areas determined, and time schedules set; all are extremely flexible. It is not unusual to sacrifice a planned title for a relatively more profitable new offer. In general, the plan (except for that of Dar Al-Maaref) is a scheduling more than a goal-setting device. Dar Al-Maaref's plan is based on specific monthly targets, per-hour machine cost, worker production per manhour norm, as well as other variables.

Q. Is your planning in any way coordinated with other firms?

A. Individual planning was not coordinated in 81 percent of the sample; it was coordinated in 14 percent.

Coordination here is limited to scanning booklists of other publishers to avoid duplication.

Title Selection

Q. How do you obtain the individual manuscript you publish — does the author come to you or is the writer asked to write on a specific subject?

- A. In obtaining the manuscript, the author comes to the firm 75 percent of the time; the firm asks authors to write or translate certain subjects/titles 23.5 percent of the time; "other" methods are used 1.5 percent of the time.

"Other" methods include implementation of plans by scientific institutions such as the Higher Council for Arts and Literature (plans usually passed on to the public sector), or ideas proposed by individuals feeling a need for information in areas of specialization where little published materials exist. It is interesting to note that of all titles published in 1970, only 20 percent are translated, indicating an adequate supply of authors — in short, potential talent that could be more fully utilized.

Q. Who inspects the manuscripts received to determine acceptability? (multiple choice)

- A. The publisher himself, 72 percent; an "outside" reader, 50 percent; other, 36 percent; committee of experts and committee of publishing house, each 22 percent.

This function, whether carried out by a whole department or exercised by a corner of the publisher's mind, is the key to the success of the publishing firm. It is a crucial decision with an element of risk, since it is not based on actual market research. Manuscripts are abundant, but the rejection rate (80 percent) is equally high. University textbooks were classed as "other" by respondents. Being a fast-selling category, textbook material is immediately accepted, especially when written by prominent professors. Although no formal censorship exists, it is the responsibility of the printer to secure the approval of the appropriate state office for the publishing of each signature (sixteen pages) before going to print.

Author-Publisher Relationship

Q. How do you deal in terms of finances with your writers? (multiple choice)

- A. Buying copyright, 86 percent; royalty (payments on per-copy-sold basis), 86 percent. Average use of each showed royalty payments, 60 percent; buying copyright, 33 percent; and profit-sharing, 7 percent.

Royalty payments range from 15 percent to 25 percent of retail prices for general books, to a higher range of 35-40 percent for university professors. Subsidiary rights, which are all-important in Western nations, are of marginal importance in Egypt.

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Prices and Costs

Q. How do you estimate the number of copies per title to be printed?

A. Most important factors are: subject matter, 72 percent; publisher's knowledge of the market, 57 percent; author's popularity, 43 percent; etc.

Respondents pointed out that determining considerations were similar to those for title selection and for press run (as corroborated by Table 1 below).

Q. What is the average number of copies per title published by your firm, i.e. per press run?

A. Table 1 indicates the response.

<i>Subject</i>	<i>Average range</i>
Supplemental school text materials	20,000-25,000
Serials	20,000-25,000
Children's books	6,500-10,000
Religion	6,500-10,000
History	2,630- 3,100
Literature	2,550- 3,000
Economics	2,350- 2,700
Politics	2,250- 2,500
University textbooks	1,500- 2,100

Table 1. Average Size of Press Runs

Q. How is your final cover price determined?

A. Prices are based on a "full cost plus" technique, by applying a simple formula:

$$\frac{\text{total cost} \times 3, 4 \text{ or } 5 \text{ (profit markup)}}{\text{press run}} = \text{selling price}$$

Return on investment for the first year is estimated to be 10 percent, since profit on sales ranges from 25 percent to 40 percent, and sales are not more than 40 percent of total annual production. The size of the press run is very important, for it is the divisor on which the quotient or selling price depends. Price in turn affects sales, most publications being price-elastic. It is interesting to note here a 1966 market study on newspapers, magazines and books conducted by the American University in Cairo with the Arab Research and Administration Center (ARAC).¹⁴ It showed that the book-buying population in Egypt is made up of a

group twenty to forty years of age, 60 percent of whom are university students, professors and professionals. For these people, the average monthly buying potential for reading material is 44 piasters (approximately one dollar).

Advertising and Channels of Distribution

Q. What advertising media do you use?

A. The most popular methods of advertising are newspapers and the publisher's own booklist, which are used by 72 percent of the respondents. Booklists are mailed to users outside Egypt by 57 percent of the sample; the remaining 43 percent, who advertise in newspapers, felt that this method promoted their sales indirectly but adequately, since the Egyptian press is widely read by the entire Arab world.

Q. What distribution outlets do you use?

A. In Cairo, the most popular sales outlets are: publisher's own bookshop, 65 percent; other publishers' bookshops, 30 percent; news vendors, 5 percent.

A system of barter exists among publishers who sell through each other's outlets. The books are given on consignment. Similarly, popular low-priced titles are sold through the abundance of newspaper stands. A system of discounts exists whereby the "mu'alim," or person in charge of a newsstand, is given a high discount; he in turn farms them out to his employees on a commission basis. At the end of a specific time period, the balance of the unsold copies is returned and accounts are settled.

Q. What percent of your total annual sales goes to exports, and which geographic area is your best customer?

A. Exports account for 50 percent of total annual sales, the Arab world being the principal importer.

According to the 1975 *Federation of Egyptian Industries Yearbook*, this earlier statement remains valid. The federation warns against a noted drop in sales to specific countries such as Syria, Jordan, Saudi Arabia, Tunisia and Lebanon. It also notes a danger, namely, a 58 percent decrease in title production in 1974 compared to that of 1973. They attribute the decline to:

1. nonavailability and increase in prices of paper, giving rise to a black market for paper;

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2. inadequacy of supply and poor quality of local ink (imports are not allowed in order to protect the domestic industry) ;
3. inadequate printing capacity — obsolete and antiquated printing presses have not been renovated since 1966; and
4. the trend of authors toward resorting to other Arab countries for a publishing outlet for their works, because of the problems mentioned above.¹⁵

This situation, of course, will seriously impair and challenge Egypt's position as a high-pressure zone for the Arab-speaking community. The chairman of GEBO, however, dismisses any real danger in this phenomenon and claims that the number of authors who have gone elsewhere to publish is small and has no real effect on Egypt as a publishing center.¹⁶

Q. What difficulties or obstacles do you meet in distributing your books outside Egypt?

A. Although most respondents identified more than one deterrent to their exports, the majority (86 percent) listed Form E-X as the main culprit; 43 percent cited book piracy.

Form E-X is a customs declaration form signed by the individual exporter, whereby he is responsible for the return in foreign exchange of the value of his exports within six months of sales. This stipulation has since been relaxed; the exporter is allowed to accrue foreign exchange to pay for imports of ink, paper and other primary materials for the industry — when such imports are allowed. Proof of import is obligatory; otherwise, the publisher or exporter is open to legal query by the authorities.

Since 1971 Egypt has gone through a series of internal changes characterized by: (1) a shift from the strictly socialist to the more liberal economic open-door policy; (2) from the antagonizing to the uniting of the Arab world; and (3) from the 1967 June war defeat to the October 1973 victory. The change in economic approach was no mere accident. The heavy burden of three successive wars which, to use Sadat's own term, had reduced Egypt's economy to "rock bottom," required it. The remedy — and rightly so — was seen in the encouragement of foreign investment. Legislation in most fields, especially covering investments, imports, exports and foreign exchange, has been and continues to be amended to encourage investors.¹⁷

Although possibly impaired over the years by various problem areas — lack of raw materials, export obstacles, etc. — Egypt's role as a leading

Arab publisher is not yet lost. Assuming that authorities will channel some of the present investments to the publishing sector, and recognizing the existing author and sales potential, Egypt's book industry will revive, expand, and the economy will definitely benefit from the expected increase in export returns.

Technological innovations from the Western world can easily be introduced and adopted by the market, because here again, Egypt lacks neither the initiative nor the trained manpower to excel in the printing field. Politically, Arab markets like Saudi Arabia and Tunisia, which had closed their markets to Egyptian publications for ideological reasons, no longer do so.

The prospects for an immediate improvement of the industry are good. The market, needed foreign exchange, and author material are available—all that is required now is the active official impetus to put them in the right mix.

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2. In addition to the papyrus stage, writers identify three mutations: (1) the codex associated with the discovery of vellum, the incunabula or the printed form; (2) the eighteenth and nineteenth century rise of a lower middle-class reading public with needs that had to be satisfied, coupled with a new series of mechanized printing techniques allowing large-scale production; and (3) the paperback—the revolutionary low-cost, mass-distributed book.
3. Date of installation is given as 1821 or 1822 in Sabat, Khalil. *Tarikh al Tiba'ah fil Sharq al 'Arabi (History of Printing in the Arab East)*. Al Qahirah, Dar Al-Maaref, 1966, p. 135.
4. Ibid., p. 181.
5. Escarpit, Robert B. *The Book Revolution*. London, Harrap, 1966, pp. 20-86.
6. Book production reached 5489 titles in 1971, 4888 in 1972 and 8870 in 1973 according to the Egyptian National Library. See "II, Reports of the Industrial Chambers," *Federation of Egyptian Industries Yearbook*. Cairo, General Organization for Government Printing Offices, 1975, p. 118.
7. 'Ukasha, Tharwat. "Introduction," *Nahwu Intilaq Thaqafi (Toward a Cultural Leap Forward)*. Al Qahirah, Dra al Katib al 'Arabi, 1969, p. 24.
8. ———. *Arba' Mu'tamarat (Four Conferences)*. Al Qahirah, Al Mu'-assassah al Misriyyah al 'Amah lil Ta'liif wal Nashr, 1967, pp. 214-15.
9. The term "mu'assassah" or "organization" is synonymous with the English term "corporation." Every mu'assassah has under it independent companies of an economic nature, which are commonly referred to as its economic units. It carries out the functions of central planning as well as exercising loose supervisory control. Its board has as its members the various chairmen of its economic units.
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12. Ibid.
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14. The ARAC is an affiliate of Dar Al-Maaref.
15. *Federation of Egyptian Industries Yearbook*, op. cit., pp. 115-25.
16. Gharib, Muhammad al. "Kayf Nu'iid lil Kitab al Misri 'Arshih aladhi faqaduh?" ("How to Return the Egyptian Book to the Throne It Lost"), *Majallat al Ida'ah wal Tilivizyuun* 2202:34-35, May 28, 1977.
17. A case in point is Law #43 of 1974 on Investments and Free Zones which recently has been amended to reflect more benefits to the investor.

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